CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 9, 2011

H.R. 2830
Trafficking Victims Protection Reauthorization Act of 2011

As ordered reported by the House Committee on Foreign Affairs on October 5, 2011

SUMMARY

H.R. 2830 would reauthorize several programs within the Departments of Justice, Health and Human Services, Homeland Security, Labor, and State, and the United States Agency for International Development that combat trafficking in persons. The bill would specifically authorize the appropriation of $179 million for each of fiscal years 2012 and 2013. In addition, CBO estimates that the bill would require additional reporting by the Department of Labor, which would require appropriated funding of $1 million over the 2012-2016 period. In total, CBO estimates that implementing the bill would have a discretionary cost of $343 million over the 2012-2016 period, assuming appropriation of the necessary amounts.

The bill would extend a surcharge on nonimmigrant visas; CBO estimates that provision would increase revenues by $26 million over the 2012-2021 period. The effects on direct spending would not be significant. Because enacting the legislation would affect revenues and direct spending, pay-as-you-go procedures apply.

H.R. 2830 would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), on state governments by increasing the stringency of conditions under the Foster Care and Adoption Assistance programs. CBO estimates, however, that the cost of that mandate would be small and well below the threshold established in UMRA for intergovernmental mandates ($71 million in 2011, adjusted annually for inflation).

By authorizing the Secretary of State to restrict or revoke passports issued to registered sex offenders, the bill would impose private-sector mandates as defined in UMRA. CBO estimates that the aggregate cost of those mandates would fall below the annual threshold for private-sector mandates established in UMRA ($142 million in 2011, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2830 is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs), 500 (education, training, employment, and social services), 550 (health), 600 (income security), and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2012	2013	2014	2015	2016	2012-2016
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Department of State and Overseas Assistance						
Authorization Level	74	74	0	0	0	148
Estimated Outlays	13	32	43	36	16	140
Departments of Justice and Homeland Security						
Authorization Level	64	64	0	0	0	129
Estimated Outlays	36	51	21	10	8	125
Department of Health and Human Services						
Authorization Level	31	31	0	0	0	61
Estimated Outlays	12	22	17	7	1	59
Department of Labor						
Estimated Authorization Level	10	10	*	*	*	21
Estimated Outlays	6	8	2	1	1	19
Total Changes						
Estimated Authorization Level	179	179	*	*	*	359
Estimated Outlays	66	114	83	54	25	343
CHANGES IN REVENUES[a]						
Estimated Revenues	0	4	11	11	0	26

Note: Components may not sum to totals because of rounding; * = less than $500,000.

a. For revenues, a positive sign represents a decrease in the deficit.

BASIS OF ESTIMATE

For this estimate, CBO assumes H.R. 2830 will be enacted early in 2012, that the specified and estimated authorizations will be appropriated near the start of each fiscal year, and that outlays will follow historical patterns for similar and existing programs.

Spending Subject to Appropriation

Most of the bill's effect on spending subject to appropriation would stem from specified authorizations totaling $179 million for each of fiscal years 2012 and 2013 for the Departments of State, Labor, Justice, Homeland Security, Health and Human Services, and for international assistance programs. One other provision in the bill also would have a discretionary cost. In total, CBO estimates that implementing this legislation would require appropriations of $359 million over the 2012-2016 period and, subject to receiving those appropriations, would cost $343 million over that period.

Department of State and Overseas Assistance. As detailed below, the bill would specifically authorize the appropriation of $74 million for each of fiscal years 2012 and 2013 for the Department of State and foreign assistance programs. Assuming appropriation of those specified amounts, CBO estimates that implementing those provisions would have discretionary costs of $140 million over the 2012-2016 period (the remaining amounts would be spent after 2016).

- Section 301 would authorize the appropriation of almost $65 million each year in 2012 and 2013 for ongoing foreign assistance programs to deter trafficking and assist victims of trafficking.

- Section 301 would authorize the appropriation of almost $10 million each year in 2012 and 2013 for ongoing Department of State programs to monitor, prevent, and reduce trafficking.

Departments of Justice (DOJ) and Homeland Security. As detailed below, H.R. 2830 would authorize the appropriation of $64 million for each of fiscal years 2012 and 2013 for various DOJ and other programs to combat trafficking in persons. CBO estimates that implementing those provisions would cost $125 million over the 2012-2016 period, assuming appropriation of the specified amounts. For 2012 and 2013, sections 301 and 302 would authorize the appropriation of:

- $17 million annually for DOJ to make grants to state, local, and tribal governments and nonprofit organizations for programs to assist victims of trafficking;

- $15 million annually for the Federal Bureau of Investigation to investigate severe forms of trafficking in persons;

- $18 million annually for U.S. Immigration and Customs Enforcement to investigate severe forms of trafficking in persons;

- $10 million annually for DOJ to make grants to state, local, and tribal governments for programs to combat trafficking in persons; and

- $4 million annually for DOJ programs to reduce trafficking in persons in the United States.

Department of Health and Human Services (HHS). As detailed below, H.R. 2830 would specifically authorize the appropriation of $30.5 million each year in 2012 and 2013 for HHS. CBO estimates that implementing those provisions would cost $59 million over the 2012-2016 period, assuming appropriation of the specified amounts. For 2012 and 2013, sections 301 and 302 would authorize the appropriation of:

- $19.5 million to provide benefits and services to victims of trafficking;

- $8 million for grants to strengthen assistance programs for citizens and legal permanent residents who have been victims of trafficking; and

- $3 million for residential treatment facilities for juvenile victims of trafficking.

Additionally, section 221 would broaden the safety screening that the Department of Homeland Security must conduct before it can return certain unaccompanied alien children (UAC) to their home countries. That provision could increase the number of children in HHS custody, thereby increasing spending subject to appropriation. However, CBO cannot determine how the Administration would implement the provision and whether it would, in fact, affect the number of UAC in HHS's custody.

Department of Labor. H.R. 2830 would authorize appropriations of $10 million in fiscal years 2012 and 2013—for a total of $20 million—for the Department of Labor to provide benefits and services to trafficking victims in the United States.

In addition, section 106 would require the department to monitor and report on forced labor and child labor in the United States (the department already reports on such activities in other countries). Using information from the department, CBO estimates that the department would hire two additional staff members to implement this section and require additional appropriations of $1 million over the 2012-2016 period. In total, CBO estimates those provisions would cost $19 million over the 2012-2016 period, assuming appropriation of the authorized amounts.

Direct Spending and Revenues

CBO estimates that enacting H.R. 2830 would increase revenues by $26 million over both the 2012-2016 and 2012-2021 periods, and would have an insignificant effect on direct spending.

Visa Fees. Section 105 would extend through 2015 a $1 surcharge on certain nonimmigrant visas. Those collections are deposited in the Treasury as revenues. Under current law, the authority to collect that surcharge will expire on June 4, 2013. The Department of State expects a workload of 11 million applicants each year over the 2013-2015 period. CBO estimates that the department would collect an additional $4 million in 2013 and $11 million each year in 2014 and 2015.

Criminal Fines. Section 214 would establish a new federal crime relating to the improper use of immigration documents. Because those prosecuted and convicted under H.R. 2830 would be subject to criminal fines, the federal government might collect additional fines if the bill is enacted. Collections of such fines are recorded in the budget as revenues, deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant.

Passports for Sex Offenders. Section 101 would authorize the Secretary of State to restrict the validity of a passport issued to a sex offender to one year, instead of the usual 10-year period. In addition, it would authorize the Secretary to revoke the passport of an American citizen convicted overseas of a sex offense. Implementing those provisions could increase the number of passports issued in any given year, thereby increasing the collection of passport fees, some of which are deposited as revenues.

Based on information from the Department of State, CBO expects that the department would find it difficult to fully implement those provisions and that few people would be affected. We estimate that implementing that section would have no significant effects on revenues.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 2830 would increase revenues by extending a surcharge on nonimmigrant visas through 2015. The bill also would affect direct spending, but such effects would not be significant. The net changes in revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 2830 as ordered reported by the House Committee on Foreign Affairs on October 5, 2011

	By Fiscal Year in Millions of Dollars											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2016	2012-2021
	NET DECREASE (-) IN THE DEFICIT											
Statutory Pay-As-You-Go Impact	0	-4	-11	-11	0	0	0	0	0	0	-26	-26

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

For large entitlement grant programs like the Foster Care and Adoption Assistance programs, UMRA defines an increase in the stringency of conditions as an intergovernmental mandate if the affected governments lack authority to offset those costs while continuing to provide required services. The bill would require, beginning January 1, 2013, that states include additional information when applying for assistance under the Foster Care and Adoption Assistance programs. That information would include descriptions of existing child welfare practices and any plans they have to prevent human trafficking and the commercial exploitation of children and to provide assistance to victims. Since this requirement would be an additional condition for receiving federal assistance from a large entitlement program and since states have limited flexibility to amend their responsibilities under the program to offset the additional costs, it would be an intergovernmental mandate. However, CBO estimates that the costs of this mandate would be small and well below the threshold established in UMRA for intergovernmental mandates ($71 million in 2011, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 2830 would impose private-sector mandates as defined in UMRA by authorizing the Secretary of State to restrict or revoke passports issued to sex offenders. The bill would authorize the Secretary to limit the length of time that a passport issued to a registered sex offender is valid. In addition, the Secretary would be authorized to revoke the passport of an individual convicted of a sex offense in another country. A sex offender whose passport was revoked for such an offense would be able to reapply for a passport upon their return to the United States. The cost of the mandates would be any forgone income directly related to the loss of a passport and the cost of replacing or renewing a passport. According to the National Center for Missing and Exploited Children, more than 500,000 registered sex offenders reside in the United States. Using information from the Government Accountability Office and the State Department, CBO estimates that the number of registered sex offenders with a passport is probably much smaller than that. Because the number of individuals affected by the restrictions in the bill would be relatively small, CBO expects that the cost of the mandates would fall below the annual threshold for private-sector mandates established in UMRA ($142 million in 2011, adjusted annually for inflation).

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